

Message Text

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ORIGIN EB-11

INFO OCT-01 ABF-01 COME-00 SS-20 PER-05 AF-10 ARA-16 EA-11

EUR-25 NEA-10 RSC-01 SPC-03 AID-20 NSC-07 CIEP-02

TRSE-00 STR-08 OMB-01 CEA-02 CIAE-00 FRB-02 INR-10

NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01 L-03 FEA-02

ISO-00 H-03 PA-04 PRS-01 USIA-15 /220 R

DRAFTED BY EB/OCA/BR-JDMCLAUGHLIN/RCSCISSORS:JMN

APPROVED BY E - WJCASEY

EB - WCARMSTRONG (DRAFT)

DG - AMB. DAVIS (DRAFT)

E - JBILLER (DRAFT)

M/FRM - MCONLIN (DRAFT)

EB/CBA/OCA - NSLAKAS

COMM - SEC. DENT

COM/BIC - MVAN GESSEL

COM/BIC/OCRS - JACAMELIO

S/S: SRGAMMON

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R 122336Z MAR 74

FM SECSTATE WASHDC

TO ALL DIPLOMATIC AND CONSULAR POSTS

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INFORM CONSULS

E.O. 11652: N/A

TAGS: BCOM, XX

SUBJECT: COMMERCIAL PROGRAM: QUARTERLY CASEY-DENT MEETING

1. COMMERCE SECRETARY DENT AND UNDER SECRETARY CASEY, AND
SENIOR ADVISERS, HELD REGULAR QUARTERLY MEETING ON
COMMERCIAL PROGRAM FEBRUARY 22. MEETING, WHICH COVERED
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WIDE RANGING AGENDA SUMMARIZED BELOW, REFLECTED DEEP CON-

CERN WITH INCREASING INTENSITY OF COMPETITION FROM OTHER NATIONS IN THEIR EFFORTS TO MEET MOUNTING ENERGY COSTS.

2. EXIM LENDING RATES. AGREEMENT REACHED ON NEED TO REVIEW AFTER 90 DAYS RECENT INCREASE IN EXIM LENDING RATES. REVIEW SHOULD FOCUS ON INTERVENING CHANGES IN LENDING RATES OF OTHER MAJOR EXPORTERS AND COMPETITIVENESS OF U.S. BUSINESS.

3. NEW INITIATIVES IN COMMERCIAL PROGRAM.

A. PARTICIPANTS EXPRESSED SATISFACTION WITH ESTABLISHMENT OF INTER-AGENCY ACTION TEAMS FOR COUNTRY COMMERCIAL PROGRAMS IN LATIN AMERICA AND SUPPORTED EXTENSION OF THIS COORDINATING MECHANISM TO OTHER GEOGRAPHIC BUREAUS.

B. IN FURTHER EFFORT TO IMPROVE TIES WITH BUSINESS COMMUNITY, STATE/COMMERCE TO EXPLORE POSSIBILITIES OF MEETING WITH AM CHAM REPRESENTATIVES IN WASHINGTON TO

DEVELOP CLOSER TIES WITH CHAMBERS ABROAD.

4. OMB STUDY OF EXPORT PROMOTION. SECRETARY DENT AND UNDER SECRETARY CASEY AGREED TO CONVEY JOINTLY TO STEERING COMMITTEE OF OMB STUDY THAT CURRENT DRAFT OVEREMPHASIZES EXCHANGE RATE ADJUSTMENTS AS MEANS TO SOLVE TRADE PROBLEMS. PREPARATORY TO MEETING TWO DEPARTMENTS WILL PREPARE STUDY OF DEVALUATION EFFECTS, AND EXPORT PROMOTION ACTIVITIES OF OUR COMPETITORS. ADVICE MAY ALSO BE SOUGHT FROM PRESIDENT'S EXPORT COUNCIL ON RELATIVE MERITS OF MONETARY ADJUSTMENTS AND DIRECT EXPORT PROMOTION AS TECHNIQUES FOR SOLVING TRADE PROBLEMS.

5. ENERGY CRISIS AND DOMESTIC SHORT SUPPLY. DECISION REACHED TO CONSTITUTE STATE/COMMERCE WORKING GROUP TO IDENTIFY NEW OPPORTUNITIES FOR EXPORTS AND REVERSE DIRECT INVESTMENT ARISING FROM SHORTAGES OF ENERGY AND OTHER RESOURCES. GROUP WILL RECOMMEND APPROPRIATE PROMOTIONAL EFFORT AND EXPORT CONTROL POLICIES. VIEWS OF SELECTED POSTS WILL BE SOUGHT.

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6. RECLASSIFICATION OF ECONOMIC/COMMERCIAL POSITIONS. COMMERCE EXPRESSED CONCERN THAT DEPARTMENT'S POSITION RECLASSIFICATION PROGRAM WOULD HAVE DISPROPORTIONATE IMPACT UPON ECONOMIC/COMMERCIAL OFFICERS. THE DIRECTOR GENERAL PROVIDED ASSURANCES THAT THE PROPOSED RECLASSIFICATIONS WERE BIASED NEITHER FOR NOR AGAINST ANY FUNCTIONAL SPECIALIZATION AND OFFERED TO MAKE AVAILABLE TO COMMERCE

THE ENTIRE ECONOMIC/COMMERCIAL LIST AND TO DISCUSS INDIVIDUAL RECLASSIFICATIONS ABOUT WHICH COMMERCE MIGHT HAVE A QUESTION. IN THIS CONTEXT SECRETARY DENT AND UNDER SECRETARY CASEY AGREED THAT MOST IMPORTANT PERSONNEL CONSIDERATION WAS NEED TO ENSURE THAT ECONOMIC/COMMERCIAL OFFICERS WERE BROAD-GAUGED AND ABLE ENOUGH TO PERMIT DEVELOPMENT OF NECESSARY SPECIALIZATION, WHICH CAN BE ACQUIRED THROUGH TRAINING. AS FURTHER ASSIST TO ATTRACTION OF GOOD CANDIDATES, SECRETARY DENT STATED HE WOULD ELICIT THROUGH PRESIDENT'S EXPORT COUNCIL INDUSTRY VIEWS ON EFFECTIVE RECRUITMENT.

7. REDUCING DEMANDS ON OFFICER TIME. STATE REPORT NOTED PROGRESS IN REDUCING VOLUME OF CERTAIN ROUTINE COMMERCIAL SERVICES BUT CONTINUED HIGH LEVEL OF REPORTING REQUIREMENTS. STATE/COMMERCE PRINCIPALS ENDORSED ON-GOING EFFORT TO STUDY FEASIBILITY FURTHER REDUCTIONS IN REPORTING. COMMERCE NOTED CUT OF ABOUT 3,000 REPORTS OVER PAST FOUR YEARS AND INCREASE OF WTDR FEE TO 15 DOLLARS.

8. COUNTRY COMMERCIAL PROGRAM. STATE PRESENTATION INDICATED THAT PILOT PROJECTS WELL UNDERWAY, EVALUATION REPORTS NOW ARRIVING, AND PROGRAM NOW BEING EXPANDED TO 35 COUNTRIES. PROGRAM VIEWED AS SUCCEEDING IN INTRODUCING MANAGEMENT BY OBJECTIVE TO COMMERCIAL PROGRAM AND SENSITIZING ENTIRE MISSION TO EXPORT EXPANSION EFFORT.

9. BUDGET AND ACCOUNTABILITY. STATE REPORT OUTLINED SYSTEM TO MONITOR CERTAIN COMMERCIAL PROGRAM EXPENDITURES (REPRESENTATION, TRAVEL, CONTRACT SERVICES, AND COMMERCIAL LIBRARIES) IN FY 75. REGIONAL BUREAUS WILL INFORM POSTS OF THE INCREASED FUNDS APPROVED BY CONGRESS FOR THESE PURPOSES AND WILL PREPARE REPORT AT END OF YEAR ON TOTAL LIMITED OFFICIAL USE

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EXPENDITURES.

10. BILATERAL PETROLEUM SALES. IN RESPONSE TO COMMERCE QUERY STATE AGREED TO REQUEST POSTS IN PETROLEUM PRODUCING COUNTRIES TO ASSESS IMPACT ON U.S. EXPORTS OF RECENT BILATERAL AGREEMENTS BETWEEN PRODUCERS AND WESTERN EUROPEAN COUNTRIES.

11. REVISED MAGNUSON BILL. STATE PARTICIPANTS EXPRESSED OBJECTION TO SENATE COMMERCE COMMITTEE DRAFT LEGISLATION WHICH WOULD ESTABLISH IN COMMERCE "REGIONAL OVERSEAS EXPORT REPRESENTATIVES" TO SUPERVISE AND EVALUATE PERFORMANCE OF COMMERCIAL FUNCTION AND COMMERCIAL PROGRAM PERSONNEL. SECRETARY DENT OFFERED TO EXAMINE COPY OF PROPOSED BILL. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 12 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE049875
Document Source: CORE
Document Unique ID: 00
Drafter: JDMCLAUGHLIN/RCSCISSORS:JMN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740349/aaaabtwl.tel
Line Count: 169
Locator: TEXT ON-LINE
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 24 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 SEP 2002 by boyleja>; APPROVED <26-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COMMERCIAL PROGRAM: QUARTERLY CASEY-DENT MEETING
TAGS: BEXP, XX
To: ALL POSTS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005